

Onyinye Anyama Esq. (SBN: 262152)  
**Anyama Law Firm | A Professional Law Corporation**  
18000 Studebaker Road, Suite 325  
Cerritos, Ca 90703  
Tel: (562) 645-4500 Fax: (562) 645-4494  
E-mail: info@anyamalaw.com

Attorney for Debtor

**UNITED STATES BANKRUPTCY COURT  
NORTHERN DISTRICT OF CALIFORNIA**

In Re:

**JINNIE JINHUEI CHANG CHAO**

**Debtor**

Case No. **15-31519**

Chapter 11

**DECLARATION OF ETHAN A. BALOGH  
IN SUPPORT OF APPLICATION OF  
DEBTOR AND DEBTOR-IN-POSSESSION  
TO APPROVE HIS EMPLOYMENT AS  
SPECIAL COUNSEL IN THE ADVERSARY  
PROCEEDING PURSUANT TO 11 U.S.C. §§  
327(a), 328 & 329**

I, ETHAN A. BALOGH, declare:

1. I am the principal of Balogh & Co. APC, a law firm located in San Francisco, CA. I am a member of the State Bar of California and am admitted to practice before the Northern District of California. My membership number is 172224. I state the following based on personal knowledge, unless expressly stated otherwise, and could competently testify on the matters stated herein if called as a witness.

1           2.     I am informed and believe that on or about December 4, 2015, the debtor and Debtor-in-  
2 Possession Jinnie Jinhuei Chang Chao (“Ms. Chao”) filed a Voluntary Petition for Relief under Chapter  
3 11 of the United States Bankruptcy Code in the above-captioned bankruptcy action. I was the criminal  
4 defense counsel of choice representing and defending Ms. Chao against charges in the criminal  
5 prosecution in the Northern District Court of California, captioned *United States v. Jinnie Chao*, No. 16-  
6 cr-00435-EJD (N.D. Cal.) (the “Federal Criminal Case”). That case ended with dismissal of the criminal  
7 allegations.

8           3.     An Order of this court approving my employment as special counsel in the criminal  
9 proceeding was entered on November 28, 2017 (Docket No. 179).

10          4.     I have agreed with Ms. Chao, contingent on this court’s approval, to represent and defend  
11 her in the Adversary Case based on the terms set forth in a proposed fee agreement, a true and correct  
12 copy of which is attached as Exhibit A (the “Fee Agreement”). The Fee Agreement provides that a  
13 deposit of \$100,000 is required for me to appear in this matter and defend Ms. Chao against Dr. Salem’s  
14 claims in the adversary proceeding. I am charging Ms. Chao my standard hourly rate of \$700. This rate is  
15 set at a level designed to fairly compensate me for work that I perform, and to cover fixed and  
16 routine overhead expenses of my firm. It is Balogh & Co. APC’s policy to sometimes advance, but  
17 never be responsible for expenses incurred in furtherance of the client’s litigation; those costs are  
18 borne by the client.

19          5.     I believe the hourly rates I charge for my legal work and the attorney fees set forth in  
20 the fee agreement for representation of Ms. Chao are competitive with fees charged by other  
21 attorneys with similar experience and backgrounds.

22          6.     In my view, the Fee Agreement is fair and reasonable to Ms. Chao and the bankruptcy  
23 estate.

24          7.     Except as set forth in the Fee Agreements presented herewith, no payments have been  
25 made or promised to me for services rendered or to be rendered in any capacity in connection with  
26 the case,

27          8.     My firm will not share with any person or entity any compensation it is awarded in this  
28 case.

1           9.       I am a “disinterested person” within the meaning of 11 U.S.C. § 327(a), and 11 U.S.C.  
2 § 101(14), and do not hold or represent an interest adverse to the estate as described in Section 327(a).

3           I declare under penalty of perjury under the laws of the United States of America that the  
4 foregoing is true and complete to the best of my knowledge. Executed this 21<sup>th</sup> day of July 2023 at San  
5 Francisco, California.

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Ethan A. Balogh (July 21, 2023 20:19 PDT)

8           ETHAN A. BALOGH  
9           Attorney at Law  
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ETHAN A. BALOGH  
cab@balcolaw.com

**VIA ELECTRONIC MAIL ONLY**

April 7, 2023

Jinnie Chao  
30 Pilarcitos Court  
Hillsborough, CA 94010  
Email: [jchao888@gmail.com](mailto:jchao888@gmail.com)

RE: Retainer Agreement

Dear Jinnie:

Thank you for retaining Balogh & Co. APC ("Attorneys" or "We"). This letter will set forth our Retainer Agreement to document Attorneys' representation and our mutual understandings concerning the terms of retention.

1. The scope of this representation shall be to provide consulting services to you and your bankruptcy counsel, Onyinye Anyama, with respect to her representation of you in an adversary proceeding brought by Dr. Ardeshir Salcm. These consulting services contemplate providing advice in response to Dr. Salem's claims in that adversary proceeding, including those as may relate to the proceedings in the Northern District of California in the case captioned *United States v. Jinnie Chao*, Case No. 16 Cr. 435 EJD, which was dismissed in 2022. This agreement further contemplates that Attorneys may, but are not required to, attend settlement negotiations with Ms. Anyama on your behalf.
2. This representation shall be only for the purposes described above. Any representation for any purpose other than the purpose listed in Paragraph 1 shall require a separate agreement. This representation does not extend to any formal appearance in any matter; rather, it is expressly limited to consulting services to you and Attorney Anyama.
3. Client should consider and pursue any potential insurance and/or indemnification that might cover any potential lawsuit or related matters. Attorneys' representation expressly does not include advice and representation on insurance coverage issues or regarding indemnification. Additionally, attorneys' representation expressly does not include any advice regarding any tax issues and/or bankruptcy issues.

4. Client shall be billed at the Attorneys' prevailing rates. Ethan A. Balogh's hourly rate is \$700. Client shall also be responsible for out-of-pocket costs. These costs include copy costs, transcript fees, travel expenses, and similar costs. Fees and costs will be billed each month. All bills will list time charged by person, task, and day (minimum time unit is 1/8 hour.) Attorneys shall not incur any expense in excess of \$1,000 without receiving express authorization from Client.
5. In consideration for this representation, on or before April 14, 2023, Client shall deposit \$20,000 into a Trust Account maintained by Balogh & Co. APC. When the monies held in the Trust Account for fees fall below \$5,000, Client further agrees to remit an additional \$20,000 for fees within 15 days of receipt of that month's bill to return the amount in Trust to \$20,000. The monies held in Trust shall remain Client's property unless and until they are expended in the course of this representation. Client may direct Attorneys to withhold the transfer of any amounts Client disputes pending resolution of any such disputes with Attorneys.
6. We will take reasonable steps to keep you informed of progress and answer your questions. Client shall be truthful with us, cooperate with us with respect to his representation, keep us informed of developments, pay costs bills on time, and keep us advised of her address, telephone number, and whereabouts.
7. Client may discharge us at any time, for any reason. We can withdraw from the representation with your consent or for good cause. Good cause includes a breach of this contract, Client's refusal to cooperate with us or to follow our advice on an important matter, or any other circumstance that would cause our representation to be unlawful or unethical.
8. Balogh & Co. APC is a limited liability partnership organized under California law and maintains errors and omissions coverage in accordance with state law.
9. If any dispute arises relating to our legal representation of Client, including claims related to services performed, billing, fees charged, costs incurred, claims of alleged malpractice, or any other matter relating to the above-referenced representation or this Agreement, such dispute shall be submitted to binding arbitration and will not be determined by the courts or a jury, except as California law provides for judicial review of arbitration proceedings. Any dispute will be arbitrated according to the rules of the American Arbitration Association to the extent permitted by law, and if not so permitted, to arbitration as permitted by California Business & Professions Code § 6200, et seq. The prevailing party shall receive all costs and reasonable attorneys' fees from the losing party in the event of such arbitration.
10. This Agreement contains the entire Agreement of the parties. No other agreement, statement, or promise made on or before the effective date of this Agreement will be binding on the parties except as expressly provided above. If any provision of this Agreement is held to be in whole, or in part, unenforceable for any reason, the remainder of that provision and of the entire agreement will be severable and remain in effect.



The attorney-client relationship is one of mutual trust and confidence. We encourage you to ask questions about your fees or representation that in any way are unclear or are of concern to you. If you have any questions about this Agreement, please feel free to consult me or another attorney. Because we have represented you before, we believe it wise for you to consult with other counsel, including but not limited to Ms. Anyama, when considering whether to enter this agreement. By signing and dating this Agreement, Client is representing that it meets with her approval and that she has had sufficient time to consult with an attorney or any other adviser about this Agreement. If this agreement is acceptable to you, please execute it and return a copy to me by PDF or facsimile.

We appreciate the trust you have placed in our firm, and look forward to working with you.

Sincerely,


BALOGH & CO. APC



By: ETHAN A. BALOGH

I, the undersigned, hereby acknowledge that I have read this document in its entirety, I know and understand the contents thereof, I have had an opportunity to consult with others (including other attorneys) concerning its contents and I am bound by its terms.

Dated:

  
Jinnie Chao

BALOGH & Co<sup>APC</sup>

100 Pine Street, Suite 1250 | San Francisco, CA 94111 | T: 415.391.0440 | F: 415.373.3901

ETHAN A. BALOGH  
eab@balcolaw.com

**VIA ELECTRONIC MAIL ONLY**

June 28, 2023

Jinnie Chao  
30 Pilarcitos Court  
Hillsborough, CA 94010  
Email: [newchao@gmail.com](mailto:newchao@gmail.com)

RE: Supplemental Retainer Agreement

Dear Jinnie:

Thank you for retaining Balogh & Co. APC (“Attorneys” or “We”). This letter will set forth our Retainer Agreement to document Attorneys’ representation and our mutual understandings concerning the terms of retention with Jinnie Chao (“you” or “Client”). In addition, this letter agreement supplements the Retainer Agreement dated June 28, 2023, by which Attorneys agreed to provide consulting services to you and your bankruptcy counsel, Onyinye Anyama, with respect to her representation of you in an adversary proceeding brought by Dr. Ardesbir Salem.

1. The further scope of this representation shall be to represent Client in the matter of *Ardesbir Salem et al. v. Jinnie Jinbuei Chang Chao et al*, currently pending the United States Bankruptcy Court for the Northern District of California as case number 16-03023. The representation in this matter is limited to the adversary proceeding described in the previous sentence and does not extend to the underlying bankruptcy case or any other matter.
2. This representation shall be only for the purposes described above. Any representation for any purpose other than the purpose listed in Paragraph 1 shall require a separate agreement. This representation does not extend to any formal appearance or representation in any other matter.
3. Client should consider and pursue any potential insurance and/or indemnification that might cover any potential lawsuit or related matters. Attorneys’ representation expressly does not include advice and representation on insurance coverage issues or regarding indemnification. Additionally, attorneys’ representation expressly does not include any advice regarding any tax issues.

Jinnie Chao  
June 28, 2023  
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4. Client shall be billed at the Attorneys' prevailing rates. Ethan A. Balogh's hourly rate is \$700. Client shall also be responsible for out-of-pocket costs. These costs include copy costs, transcript fees, travel expenses, and similar costs. Fees and costs will be billed each month. All bills will list time charged by person, task, and day (minimum time unit is 1/8 hour.) Attorneys shall not incur any expense in excess of \$1,000 without receiving express authorization from Client.
5. In consideration for this representation, on or before July 7, 2023, Client shall deposit \$100,000 into a Trust Account maintained by Balogh & Co. APC. **When the monies held in the Trust Account for fees fall below \$5,000, Client further agrees to remit an additional \$50,000 for fees within 15 days of receipt of that month's bill to return the amount in Trust to \$50,000, or another amount if the parties agree on a different amount.** The monies held in Trust shall remain Client's property unless and until they are expended in the course of this representation. Client may direct Attorneys to withhold the transfer of any amounts Client disputes pending resolution of any such disputes with Attorneys.
6. In addition, and in further consideration for this representation, Client shall retain attorney Bernard Kornberg to serve a co-counsel in these proceedings, under my direction.
7. We will take reasonable steps to keep you informed of progress and answer your questions. Client shall be truthful with us, cooperate with us with respect to his representation, keep us informed of developments, pay costs bills on time, and keep us advised of her address, telephone number, and whereabouts.
8. Client may discharge us at any time, for any reason. We can withdraw from the representation with your consent or for good cause. Good cause includes a breach of this contract, Client's refusal to cooperate with us or to follow our advice on an important matter, or any other circumstance that would cause our representation to be unlawful or unethical.
9. Balogh & Co. APC is a limited liability partnership organized under California law and maintains errors and omissions coverage in accordance with state law.
10. If any dispute arises relating to our legal representation of Client, including claims related to services performed, billing, fees charged, costs incurred, claims of alleged malpractice, or any other matter relating to the above-referenced representation or this Agreement, such dispute shall be submitted to binding arbitration and will not be determined by the courts or a jury, except as California law provides for judicial review of arbitration proceedings. Any dispute will be arbitrated according to the rules of the American Arbitration Association to the extent permitted by law, and if not so permitted, to arbitration as permitted by California Business & Professions Code § 6200, et seq. The prevailing party shall receive all costs and reasonable attorneys' fees from the losing party in the event of such arbitration.
11. This Agreement contains the entire Agreement of the parties. No other agreement,



Jinnie Chao  
June 28, 2023  
Page | 3

statement, or promise made on or before the effective date of this Agreement will be binding on the parties except as expressly provided above. If any provision of this Agreement is held to be in whole, or in part, unenforceable for any reason, the remainder of that provision and of the entire agreement will be severable and remain in effect.

The attorney-client relationship is one of mutual trust and confidence. We encourage you to ask questions about your fees or representation that in any way are unclear or are of concern to you. If you have any questions about this Agreement, please feel free to consult me or another attorney.

Because we have represented you before, and represent you now, we believe it wise for you to consult with other counsel, including but not limited to Ms. Anyama, when considering whether to enter this agreement. **By signing and dating this Agreement, Client is representing that it meets with her approval and that she has had sufficient time to consult with an attorney or any other adviser about this Agreement.** If this is agreement is acceptable to you, please execute it and return a copy to me by PDF or facsimile.

We appreciate the trust you have placed in our firm, and look forward to working with you.

Sincerely,


BALOGH & CO. APC



By: ETHAN A. BALOGH

I, the undersigned, hereby acknowledge that I have read this document in its entirety, I know and understand the contents thereof, I have had an opportunity to consult with others (including other attorneys) concerning its contents and I am bound by its terms.

Dated: 6/28/2023

DocuSigned by:  
 Jinnie Chao  
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Jinnie Chao